

Congress of the United States
Washington, DC 20515

November 9, 2005

Admiral Michael Mullen
Chief of Naval Operations
2000 Navy Pentagon
Washington, DC 20350-2000

Dear Admiral Mullen:

We are concerned by an announcement that the leadership of Naval Shipyard Portsmouth plans to hire new employees at the same time the Electric Boat Corporation faces the prospect of laying off mature workers, including many members of its design and engineer workforce - a national defense asset.

We welcome your commitment to bring stability to the shipbuilding industrial base; but we are alarmed by the Navy's plan to exclude Electric Boat workers from a large portion of submarine maintenance at Naval Submarine Base New London. The current proposal would result in massive layoffs of highly-skilled personnel at Electric Boat, the Nation's only prime contractor for nuclear-powered submarines. We would like to meet with you in person to discuss this important national security issue.

As you know, the 2005 Defense Base Realignment and Closure Commission voted 7 to 1 to keep open SUBASE New London in Groton, Connecticut. A key factor in the commission's decision was the synergy between the submarine operators at the base and the designers, builders and maintainers at Electric Boat. Over 2,000 highly skilled and experienced EB personnel provide support to the Navy in the Groton homeport area today. We understand that current plans require transporting workers from NSY Portsmouth to SUBASE New London to accomplish depot level maintenance, adding unnecessary travel and per diem costs to accomplish this work.

Maintenance and repair work is necessary to preserve critical waterfront production skills at Electric Boat and mitigate the workload swings driven by the current low rate of submarine production. Electric Boat needs this work to minimize submarine construction costs, absorbing upwards of \$50 million in overhead costs per year -- a key consideration in the corporation's efforts to achieve a Virginia Class cost under \$2 billion per ship.

EB also needs sufficient maintenance and repair work to keep employed thousands of America's best shipbuilders, engineers and designers. These human resources at Groton are the heart and soul of America's submarine industrial base. Once lost, EB cannot recapture these unique personnel skills without great cost to the Navy.

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Congress - LTR - Simmons - Johnson

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N4-

Don - what this
argues for is a strategy
from the NE East Coast
submarine repair.
we are doing
this piece-
meal.
mike

Electric Boat has only recently reentered the major submarine repair business, with work on the USS Augusta, USS Seawolf and USS Springfield. After navigating a steep learning curve, the shipyard has gained valuable experience and is showing marked performance improvement on current work, including the USS Dallas and USS Connecticut. Given the opportunity, we are confident that EB will perform to the high standards expected by the Navy.

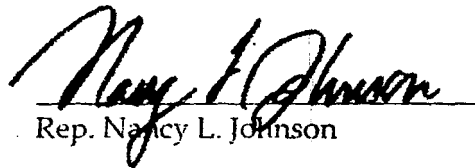
Private shipyards can and should help the Navy maintain ship readiness by performing maintenance and modernization work. However, the Navy should draw from the skilled labor resources available at Electric Boat to perform submarine maintenance at SUBASE New London before resorting to out-of-area resources.

Thank you for your service. We look forward to discussing this issue further with you.

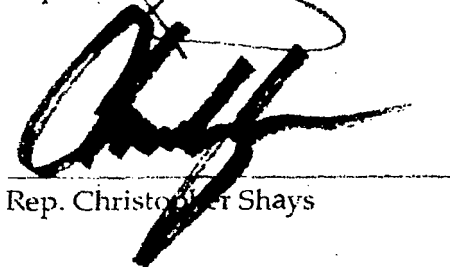
All the best,



Rep. Rob Simmons



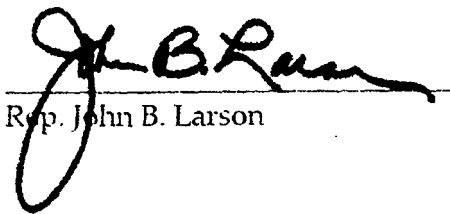
Rep. Nancy L. Johnson



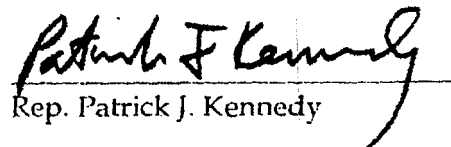
Rep. Christopher Shays



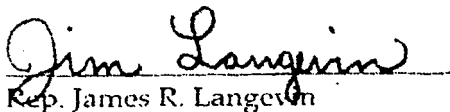
Rep. Rosa DeLauro



Rep. John B. Larson



Rep. Patrick J. Kennedy



Rep. James R. Langevin

Cc: Assistant Secretary of the Navy for Research, Development and Acquisition
Attachment: Newspaper Article

NEW HAMPSHIRE UNION LEADER
Saturday, October 29, 2005

Major job growth for shipyard

♦Lots of work

Portsmouth plans to add 300 workers a year for the next four years.

PORTSMOUTH (AP) — Months after shipyard workers braced for possible unemployment, the Portsmouth Naval Shipyard is talking about expanding its work force.

Shipyard commander Capt. Jonathan Iverson said the current work force must grow by

300 people a year to be able to handle the submarine overhaul and maintenance projects that are scheduled.

"For the next four years, we're chock-a-block full of work," he said. "With the increased workload, we're looking to bring more people on."

The shipyard has about 4,400 workers and contributes about \$650 million annually to the local economy, Iverson said. In addition, the shipyard spends \$30 million with area businesses for services like landscaping

services and waste removal.

All those jobs were in jeopardy after the Pentagon recommended the shipyard be closed as part of plans to close and realign bases all over the country. A federal commission rejected that recommendation in August.

Iverson spoke Thursday for the first time since then about the future of the shipyard. His public comments came at the Greater Seacoast Business Expo at Pesse International Tradeport.